

Industry and the Gilded Age



THE TRUST GIANTS POINT OF VIEW.
"WHAT A FUNNY LITTLE GOVERNMENT!"

The Horatio Alger Question

On a scale of 1-10 (1 being “completely disagree” and 10 being “completely agree”), what is your position on the following statement:

“In the United States, if you work hard and make wise decisions, you will be successful”

(The opposite position would be that financial success is mostly predetermined by your family, who you know, what school you attend, etc.)

Gilded: Covered in gold, but not valuable on the inside

Gilded Age: Time period in the late 1800's when new economic developments created more wealth (for some) than had ever existed in the U.S.

The author Mark Twain gave the time period this name to criticize the great divide that emerged between the rich and poor



How was so much wealth created?

Industrialization: when the economy becomes dominated by manufacturing rather than agriculture

This changed both *how* and *where* business was done, as new industrial centers drew people to cities from the countryside and from overseas.

- **Railroads** stretch to cover the entire country
- **Steel** (for rail, bridge, and building construction)
- **Coal** (to power trains, boats, factories, and mills)
- **Oil** drilling takes off in the West

In what new ways did these businesses operate?

Sweatshops: factory with low wages, long working hours, and poor working conditions

Company towns: when one major company dominated the surrounding area where its workers lived

- Company-owned housing
- Workers paid in “scrip” that could be used at the company-owned store
- Example: The town of Pullman, Illinois was built and owned by the Pullman Railroad Car

Who were the “winners” of the Gilded Age?

Due to their ruthless business tactics and great wealth, these men were called “**Robber Barons**”

John D.
Rockefeller
Standard
Oil

Andrew
Carnegie:
Carnegie
Steel



Cornelius
Vanderbilt:
Railroads

J.P. Morgan:
U.S. Steel
and
banking

Justifying their wealth...

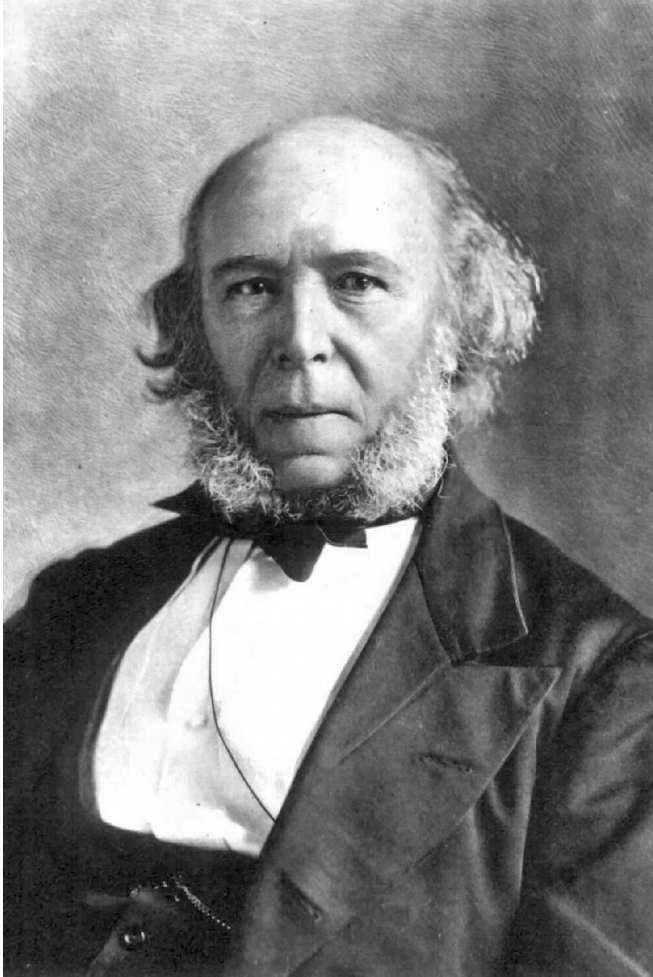
Andrew Carnegie's *Gospel of Wealth*

- Article he wrote in 1899
- Unrestrained capitalism will reward the best and most virtuous people
- They should use their great wealth to benefit society
- Implies that poverty is the result of a character flaw

John D. Rockefeller:

"I believe the power to make money is a gift of God . . . to be developed and used to the best of our ability for the good of mankind. Having been endowed with the gift I possess, I believe it is my duty to make money and still more money, and to use the money I make for the good of my fellow man according to the dictates of my conscience."

Social Darwinism



Herbert Spencer

Influential British philosopher from the late 1800's

- The idea that “survival of the fittest” applied to human society
- Human society advances when its “fittest members” are allowed to thrive
- “Fitness” is determined by inherited characteristics
- Gov't should not take any steps to support the “unfit”

How was the nation's economy run?

- Expansion of **capitalism**: economic system in which businesses are privately owned, run to make a profit, and compete in a free marketplace
- Cost of goods, services, and wages is determined by laws of supply and demand
 - Business leaders took advantage of a lack of government regulation (***laissez-faire capitalism***) to consolidate industries into **trusts** (where several large corporations combine to dominate an industry) and to keep costs (such as wages) very low.



Vanderbilt Mansion: Hyde Park, New York

Cornelius Vanderbilt made his fortune in railroads and was at one point the richest person in the world. This was his grandson's house.



The Breakers mansion

Newport, Rhode Island

This “summer cottage” belonged to another of Vanderbilt's grandchildren. Today it is a museum and you can tour the inside and the grounds.





Biltmore Estate: Asheville, North Carolina
Also built for the Vanderbilt family, it has 250 rooms!

Works Used

- Vanderbilt Mansion National Historic Site.
<http://www.nps.gov/nr/twhp/wwwlps/lessons/78vanderbilt/78visual2.htm>
- Biltmore Estate. http://en.wikipedia.org/wiki/Biltmore_Estate.
- Documenting “The Other Half”: The Social Reform Photographs of Jacob Riis and Lewis Hines. <http://xroads.virginia.edu/~ma01/davis/photography/images/riisphotos/slideshow1.html>.
- The History Place – Child Labor in America, 1908-1912.
<http://www.historyplace.com/unitedstates/childlabor/>.
- Tennessee Ernie Ford, *Sixteen Tons*. Lyrics written by Merle Travis.
<http://www.ernieford.com/SixteenTons.htm>.